

No. 1980-213

AN ACT

SB 1344

Amending the act of July 28, 1953 (P.L.723, No.230), entitled, as amended, "An act relating to counties of the second class and second class A; amending, revising, consolidating and changing the laws relating thereto," prohibiting fee sharing among county officers, employes and consultants or persons contracting for personal services with the county and further providing for monthly contributions, retirement allowances and interest on accumulated contributions.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Subsection (a) of section 1708, act of July 28, 1953 (P.L.723, No.230), known as the "Second Class County Code," amended December 11, 1979 (P.L.494, No.105), is amended and a subsection is added to read:

Section 1708. Compulsory Membership; Employes Payment Into Fund; Exceptions; Vested Interest.—(a) Each county employe shall be required to become a member of the county employes' retirement system within six months from the date of his or her employment. The said county employe may elect to become a member of the retirement system at any time during the aforesaid six months period of time by notifying the head of the department, office or agency in which department, office or agency he or she is employed of the said election. A copy thereof shall be filed immediately with the board. He or she shall, each month, pay into the retirement fund a monthly contribution, being a certain percentage of the amount received by him or her as compensation during the preceding calendar month, which shall be computed on a monthly compensation of **[two thousand dollars (\$2,000)]** *two thousand six hundred sixty-six dollars and sixty-six cents (\$2,666.66)* or less. Except as provided in subsection (d), the monthly contribution shall be the percentage of his or her compensation as heretofore stated, on a graduated scale as follows:

For the year 1973 and thereafter, five per centum up to seven hundred fifty dollars (\$750) per month.

Seven and one-half per centum from seven hundred fifty dollars (\$750) to fifteen hundred dollars (\$1500) per month.

Ten per centum from fifteen hundred dollars (\$1500) to **[two thousand dollars (\$2,000)]** *two thousand six hundred sixty-six dollars and sixty-six cents (\$2,666.66)* per month.

Except as hereinafter provided, the aforesaid increase rate of monthly contributions to be paid into the retirement fund to enhance the actuarial soundness of said fund, shall be applicable to all county employes who are members of the retirement system. Such monthly

contributions shall be collected by the county treasurer and by him paid into the retirement fund. The payment of the increased rate of the aforesaid monthly contributions shall not apply to such former county employes whose monthly contributions are now paid into said fund in accordance with the provisions of subsection (d) of section 1713. Any county employe receiving compensation for accidental injuries in accordance with the provisions of The Pennsylvania Workmen's Compensation Act shall during the period of time in which such county employe is receiving disability benefits, as provided in the aforesaid act, pay each month for retirement benefits a sum equal to the last monthly contribution as paid into the retirement fund when said county employe was in employment. The monthly contribution shall not be paid by any person who was receiving a retirement allowance and is subsequent to the thirty-first day of May, one thousand nine hundred fifty-three, reemployed as a county employe or any other person who is ineligible to become a member of the retirement system.

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(e) The board, guided by the annual actuarial valuation of the retirement system, shall have the authority each year to increase the monthly retirement allowance which is required to be paid to all employes who have been, for at least one year, prior to the preceding annual actuarial study, eligible to receive a retirement allowance.

Section 2. Subsections (a) and (b.1) of section 1712 of the act, amended or added June 29, 1976 (P.L.461, No.116), are amended to read:

Section 1712. Amount of Retirement Allowances.—(a) The retirement allowance paid under the provisions of this article shall equal fifty per centum of the amount which would constitute the average monthly compensation as received by the county employe during the highest twenty-four months of the last four (4) years of his employment or two years on a bi-weekly pay basis in which period of time the said county employe made monthly or bi-weekly contributions into the retirement fund prior to his or her retirement. Such average monthly compensation shall include the compensation which any county employe would have been entitled to and would have received except for deduction from compensation due to time spent in serving as an elected State official: Provided, That the county and the employe shall make monthly contributions based on the last compensation equal to the amount the county and he or she would have paid into the retirement fund had such compensation been paid by the county. No retirement allowance shall be computed on a monthly compensation in excess of [two thousand dollars (\$2,000)] *two thousand six hundred sixty-six dollars and sixty-six cents (\$2,666.66)* nor shall a retirement allowance be paid for a fraction of a service year.

After the effective date of this amendment, certain former county employes who are now receiving a retirement allowance shall receive an increase of a certain per centum of such retirement allowance, which sum shall be computed on the average monthly retirement allowance as heretofore authorized by the board.

The per centum of increase in said monthly retirement allowance shall be a flat 10 per centum increase with the maximum amount not to exceed forty-five dollars (\$45.00) per month.

Any employe who earns in excess of ten thousand eight hundred dollars (\$10,800) per annum and shall retire during the period from January 1, 1973 to December 31, 1981 shall pay, as a condition to the payment of any benefits hereunder a lump sum contribution into the retirement fund, which contribution shall be computed as follows:

The difference between ten thousand eight hundred dollars (\$10,800) and the annual salary of the employe multiplied by the number of years during which he was not an employe of the county for the period aforesaid and upon that amount the sum of two per centum which shall be the lump sum contribution as required herein.

No person who is reemployed as a county employe shall be eligible to receive the benefit of a retirement allowance plus a service increment, if any, until he or she shall have made at least twenty-four monthly or fifty-two bi-weekly contributions into the retirement fund subsequent to his or her reemployment. The foregoing provisions shall not have a retroactive application and shall apply only to present and future county employes. The rate required to be paid in accordance with this provision shall apply to present county employes notwithstanding the rate of contribution that the present county employe has made into the retirement fund.

(b.1) In addition to the retirement allowance which is authorized by this article and notwithstanding the limitations therein placed upon retirement allowances, any present or future county employe who upon retirement shall be eligible to receive payment of a retirement allowance and who has been employed as such for twenty-one or more years during which period of time he or she shall have made monthly contributions into the retirement fund, shall also be eligible to the payment in addition to a retirement allowance a service increment of two per centum per year computed upon the annual retirement allowance to which he or she is entitled. Said service increment shall be the sum obtained by computing the number of years in excess of twenty years during which period of time he or she shall have made monthly or bi-weekly contributions into the retirement fund. No service increment shall be paid for more than ~~ten (10)~~ *twenty (20)* such excess service years nor shall a service increment be paid for a fraction of such service year.

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Section 3. Subsection (a) of section 1714 of the act, amended December 10, 1970 (P.L.919, No.291), is amended to read:

Section 1714. Separation from Service; Refund of Contribution.—
(a) Any person contributing monthly or bi-weekly into the retirement fund who shall, for any cause, cease to be a county employe before he or she shall be eligible to receive the benefits of the retirement allowances, the total amount of the contributions paid into the retirement fund by such county employe shall be refunded to him or her by the board, or, in the event of the death of any such county employe, the amount of said contributions shall be paid to such person or persons as he or she shall have designated in writing, as filed with the board, as his or her beneficiary, or to his or her estate. If no person or persons have been designated as his or her beneficiary, or no notice has been filed with the board to pay the amount of such contributions to his or her estate, as herein provided, then the board is herewith authorized to pay such contributions to the executor, administrator, surviving spouse, or next of kin of the deceased county employe. In the event the surviving spouse or next of kin of the decedent cannot be found for the purpose of making distribution of such contributions for a period of seven years from the death of the said county employe, then the aforesaid contributions shall be escheated to the Commonwealth for the benefit of the retirement system. In addition thereto, interest shall be paid and compounded annually on the accumulated contributions of the member for the preceding calendar year at the rate of ~~[three per centum]~~ *five per centum* per annum on contributions made under subsection (a) of section 1708 upon the effective date of this amendment, provided that said county employe was employed for a period of two consecutive years or more and is not eligible to receive the benefits of a retirement allowance. Notwithstanding the provisions of this subsection, a member who has ceased to make contributions to the fund by payroll deduction shall thereafter be credited with interest only for a period of years equal to his years of current service under this amendment. Any person who has heretofore or who shall hereafter cease to be a county employe, shall thereafter cease to be a member of the retirement system, except such former county employe who may be eligible to receive the benefits of a retirement allowance plus a service increment if any in accordance with the provisions of sections 1710 and 1713.

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Section 4. Section 2001 of the act is amended by adding a subsection to read:

Section 2001. County Commissioners to Make Contracts.—The County Commissioners may make contracts for lawful purposes and for the purposes of carrying into execution the provisions of this section and the laws of the Commonwealth.

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(f) No person, consultant, firm or corporation contracting with a county for purposes of rendering personal or professional services to the county shall share with any county officer or employe, and no

county officer or employe shall accept, any portion of the compensation or fees paid by the county for the contracted services provided to the county except under the following terms or conditions:

(1) Full disclosure of all relevant information regarding the sharing of the compensation or fees shall be made to the board of commissioners.

(2) The board of commissioners must approve the sharing of any fee or compensation for personal or professional services prior to the performance of said services.

(3) No fee or compensation for personal or professional services may be shared except for work actually performed.

(4) No shared fee or compensation for personal or professional services may be paid at a rate in excess of that commensurate for similar personal or professional services.

Section 5. The act is amended by adding a section to read:

Section 2001.1. Architects and Engineers Employed Prohibited From Bidding on Public Works; Penalty.—It shall be unlawful for any architect or engineer, in the employ of any county, and engaged in the preparation of plans, specifications or estimates, to bid or negotiate on any public work at any letting of such work by the county, except that any such architect or engineer who shall have prepared preliminary plans only shall not be prohibited from bidding or negotiating on the final contract for such work.

It shall be unlawful for the officers of any county charged with the duty of letting any public work, to award a contract to any such architect or engineer, in the employ of the county who is in any way interested in any contract for public work for the county or for any such architect or engineer to receive any remuneration or gratuity from any person interested in such contract except under the terms and conditions as provided in section 2001(f).

Any person violating any of the provisions of this section shall forfeit his office, and shall be guilty of a misdemeanor, and on conviction thereof, shall be sentenced to pay a fine not exceeding five hundred dollars (\$500), or to undergo imprisonment for not more than six months, or both.

Section 6. This act shall take effect in 60 days.

APPROVED—The 10th day of December, A. D. 1980.

DICK THORNBURGH